

RECEIVED

FEB 24 2011

CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,)	
)	CRIMINAL NO. 4:11-CR-017
Plaintiff,)	
)	
v.)	<u>INDICTMENT</u>
)	
JEFFREY SCOTT KEPLER,)	HEALTH CARE FRAUD,
)	Title 18 U.S.C. § 1347
)	Title 18 U.S.C. § 2
Defendant.)	
)	STOLEN VALOR,
)	Title 18 U.S.C. §§ 704(b) and (d)
)	
)	FALSE STATEMENTS,
)	Title 18 U.S.C. § 1001(a)(2)

THE GRAND JURY CHARGES:

COUNT 1
(Health care fraud)

I. Introduction

1. From on or about August 1, 2007, and continuing until on or about April 6, 2010, in the Southern District of Iowa and elsewhere, defendant JEFFREY SCOTT KEPLER devised and executed a scheme to defraud the United States Department of Veterans Affairs concerning the delivery and payment of its health care services.

II. Definitions.

2. As used in this Indictment, the terms in this section are defined as follows:

A. The **Department of Veterans Affairs** ("VA") is a Cabinet-level department of the United States government and, among other things, provides a broad spectrum of medical, surgical,

and rehabilitative care to eligible military veterans at approximately 171 medical centers, more than 350 outpatient, community, and outreach clinics, 126 nursing home care units, and other facilities. A veteran of active military service who has been discharged or released from service under honorable conditions may receive VA medical care, provided he or she meets minimum duty requirements, such as being an enlisted person who started active duty prior to September 8, 1980, being a former officer who first entered active duty prior to October 17, 1981, or having 24 months of continuous active duty military service.

B. The **Silver Star** is the third-highest military decoration that can be awarded to a member of any branch of the United States armed forces for valor in the face of the enemy. The Silver Star may be awarded to any person who, while serving in any capacity with the armed forces, distinguishes himself or herself by extraordinary heroism in action against an enemy of the United States, or in similar situations. In the United States Army, the Silver Star is awarded for gallantry in action against an enemy of the United States not justifying one of the two higher awards, namely the highest decoration, the Medal of Honor, or the second highest, the Distinguished Service Cross.

C. The **Bronze Star** is the fourth-highest military decoration that can be awarded to a member of any branch of the United States armed forces for bravery. The Bronze Star may be awarded to any person who, while serving in any capacity in or with the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States, distinguishes, or has distinguished, himself by heroic or meritorious achievement or service, not involving participation in aerial flight while engaged in an action against an enemy of the United States, or in similar situations.

D. The **Commendation Medal** is a mid-level United States military award/ decoration which is presented for sustained acts of heroism, meritorious service, and for valorous actions in direct contact with an enemy force, but of a lesser degree than required for the award of the Bronze Star. The Army Commendation Medal is awarded to any member of the Armed Forces of the United States other than General Officers who, while serving in any capacity with the Army, distinguished themselves by heroism, meritorious achievement or meritorious service.

E. The **Purple Heart** is a military medal established by General George Washington during the Revolutionary War, and reestablished by the President of the United States in 1932. The Purple Heart is awarded in the name of the President of the United States to any member of an Armed Force or any civilian national of the United States who, while serving in any capacity with one of the U.S. Armed Services, has been wounded or killed in any action against an enemy of the United States, or wounded in the course of similar military duties.

F. The **Airborne Rangers** are considered by some to be one of the most elite infantry units in the United States Army. An Airborne Ranger must be selected for the program, in very good physical shape, complete Infantry Basic training in Fort Benning, complete 30 days of Ranger Indoctrination, successfully serve a tour of duty as a direct subordinate to an active Airborne Ranger, and qualify for, and complete, the 62-day long Ranger Course.

III. The Scheme

3. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER completed, signed, and submitted a false and fraudulent DD FORM 214, CERTIFICATE OF RELEASE AND DISCHARGE FROM ACTIVE DUTY which he used, in part, to try and obtain VA health

care benefits for which he was not eligible.

4. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER represented to the United States Department of Veterans Affairs in the DD FORM 214, CERTIFICATE OF RELEASE AND DISCHARGE FROM ACTIVE DUTY that he served 2 years, 11 months, and 23 days in the United States Army between January 1977 and August 1979, when, in fact, he only served a total of approximately 27 days in the United States Army, after which he received an honorable discharge for failing to meet medical fitness standards.

5. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER represented to the United States Department of Veterans Affairs in the DD FORM 214, CERTIFICATE OF RELEASE AND DISCHARGE FROM ACTIVE DUTY that he was an Airborne Ranger, and qualified for Officer Candidate School, when, in fact, he achieved none of these accomplishments during his 27 days in the United States Army.

6. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER falsely represented to the United States Department of Veteran Affairs on a DD Form 214, Certificate of Release And Discharge From Active Duty, that he had been awarded numerous Army medals, including the Silver Star, and twice awarded the Bronze Star and Purple Heart, along with other awards, when, in fact, he had not earned or been awarded any such medals.

7. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER falsely represented to the United States Department of Veterans Affairs on a DD FORM 214, CERTIFICATE OF RELEASE AND DISCHARGE FROM ACTIVE DUTY, that he had been a "covert operations specialist," and claimed that no release of information was possible, and that his

personnel records had been altered, when, in fact, none of this was true.

8. As part of the scheme and artifice alleged herein, defendant JEFFREY SCOTT KEPLER used the false and fraudulent DD FORM 214, CERTIFICATE OF RELEASE AND DISCHARGE FROM ACTIVE DUTY to obtain free or subsidized health care benefits from the VA to which he was not entitled, including, but not limited to, prescriptions, outpatient services, and inpatient services.

9. On or between approximately August 1, 2007, and approximately April 6, 2010, in the Southern District of Iowa and elsewhere, defendant JEFFREY SCOTT KEPLER did knowingly and willfully execute, and attempt to execute, a scheme or artifice to defraud a health care benefit program, namely the program offered to qualified military veterans by the United States Department of Veterans Affairs, in connection with the delivery of and payment for health care benefits, items, or services, by fraudulently obtaining from the program goods and services to which he knew he was not entitled, estimated to be in the approximate amount of \$100,000.

All in violation of Title 18, United States Code, Sections 1347 and 2.

THE GRAND JURY FURTHER CHARGES:

**COUNT 2
(Stolen Valor)**

On or about August 17, 2007, in the Southern District of Iowa, defendant JEFFREY SCOTT KEPLER knowingly and wilfully falsely represented himself in writing to have been awarded one or more decorations and medals authorized by Congress for the Armed Forces of the United States, and one or more of the service medals or badges awarded to the members of such forces.

This is a violation of Title 18, United States Code, Sections 704(b) and (d).

THE GRAND JURY FURTHER CHARGES:

**COUNT 3
(False Statements Within Jurisdiction Of Executive Branch)**

On or about August 17, 2007, in the Southern District of Iowa, defendant JEFFREY SCOTT KEPLER knowingly and wilfully made material false, fictitious, and fraudulent statements and representations in a matter within the jurisdiction of the United States Department of Veterans Affairs, part of the executive branch of the United States government, by falsely representing the duration and nature of his service in the United States Army.

This is a violation of Title 18, United States Code, Section 1001(a)(2).

A TRUE BILL.

Nicholas A. Klinefeldt
United States Attorney

/s/
FOREPERSON

By: /s/ Craig Peyton Gaumer
Craig Peyton Gaumer
Assistant United States Attorney